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UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

11 OPERATING ENGINEERS' HEALTH AND
12 WELFARE TRUST FUND FOR NORTHERN
CALIFORNIA; DAN REDING and JAMES E.
MURRAY, Trustees;

Case No.:

COMPLAINT

PENSION TRUST FUND FOR OPERATING
ENGINEERS; DAN REDING and JAMES E.
MURRAY, Trustees;

PENSIONED OPERATING ENGINEERS' HEALTH AND WELFARE TRUST FUND; DAN REDING and JAMES E. MURRAY, Trustees;

18 OPERATING ENGINEERS AND
PARTICIPATING EMPLOYERS PRE-
19 APPRENTICE, APPRENTICE AND
JOURNEYMEN AFFIRMATIVE ACTION
20 TRAINING FUND; DAN REDING and JAMES
E. MURRAY, Trustees:

21 OPERATING ENGINEERS LOCAL UNION
22 NO. 3 VACATION, HOLIDAY AND SICK
23 PAY TRUST FUND; DAN REDING and
JAMES E. MURRAY, Trustees; and

24 OPERATING ENGINEERS LOCAL 3 HEAVY AND HIGHWAY TRUST FUND

Plaintiffs,

V.

CHESTER BROSS CONSTRUCTION COMPANY, a Missouri Corporation; and

1 MARK BROSS, an individual,
 2 Defendants.

3 Parties

4 1. The Operating Engineers' Health and Welfare Trust Fund for Northern California
 5 ("Health Fund"); Pension Trust Fund for Operating Engineers (which includes the Pension Plan for
 6 the Pension Trust Fund for Operating Engineers, and the Operating Engineers Annuity Plan)
 7 ("Pension Fund"); Pensioned Operating Engineers' Health and Welfare Trust Fund ("Pensioned
 8 Health Fund"); Operating Engineers and Participating Employers Pre-apprentice, Apprentice and
 9 Journeymen Affirmative Action Training Fund ("Affirmative Action Training Fund"); and the
 10 Operating Engineers Local Union No. 3 Vacation, Holiday and Sick Pay Trust Fund ("Vacation
 11 Fund") are employee benefit plans as defined in the Employee Retirement Income Security Act of
 12 1974 ("ERISA") § 3(3), 29 U.S.C. § 1002(3), and are multi-employer plans as defined by ERISA §
 13 3(37)(A), 29 U.S.C. § 1002(37)(A). Dan Reding and James E. Murray are Co-Chairmen of the Joint
 14 Boards of Trustees of the Health Fund, Pension Fund, Pensioned Health Fund, Affirmative Action
 15 Training Fund, and Vacation Fund, and have authority to act on behalf of all Trustees of those
 16 Funds. The Funds and their fiduciaries are together referred to herein as "ERISA Plaintiffs" or
 17 "Plaintiffs."

18 2. The Operating Engineers Local 3 Heavy and Highway Trust is a Trust established
 19 under the Labor Management Relations Act ("LMRA"), 302(c)(9), 29 U.S.C. § 186(c)(9).

20 3. Chester Bross Construction Company ("Chester Bross"), a Missouri corporation, and
 21 Mark Bross, an individual (collectively, "Defendants") are employers by virtue of ERISA § 3(5), 29
 22 U.S.C. § 1002(5), and NLRA § 2(2), 29 U.S.C. § 152(2).

23 Jurisdiction

24 4. Jurisdiction exists in this Court over the claims asserted by ERISA Plaintiffs by
 25 virtue of ERISA § 502, 29 U.S.C. § 1132, in that Plaintiffs seek to enforce the provisions of ERISA
 26 and the terms of their plans, seek to enjoin the acts and practices which violate ERISA, seek
 27 equitable relief to redress such violations, and seek all other appropriate relief under ERISA.

28 5. Jurisdiction exists in this Court over all the claims by virtue of the LMRA § 301, 29

1 U.S.C. § 185, in that Plaintiffs seek to enforce the terms and conditions of a valid Collective
2 Bargaining Agreement.

3 6. To the extent jurisdiction over any claim does not exist under ERISA or the LMRA,
4 supplemental jurisdiction exists in this Court over such claims by virtue of 29 U.S.C. § 1367 in that
5 they arise out of a common nucleus of operative facts that form the basis of the federal claims
6 asserted herein, each of which has a substantial ground in federal jurisdiction.

Venue

8 7. Venue is conferred upon this Court by ERISA § 502, 29 U.S.C. § 1132. Where an
9 action is brought under ERISA § 502 in a district court of the United States, it may be brought at
10 Plaintiffs' discretion, in the district where the plan is administered, where the breach took place, or
11 where a defendant resides or may be found, and process may be served in any other district where a
12 defendant resides or may be found. ERISA Plaintiffs' Trust Funds are administered in this district
13 at their principal place of business in Alameda, California. Thus, jurisdiction and venue are
14 properly grounded with this Court.

15 8. Venue exists in this Court with respect to the claims under LMRA § 301(a), 29
16 U.S.C. § 185, as this Court has jurisdiction over the parties, as the Operating Engineers Local
17 Union No. 3 of the International Union of Operating Engineers, AFL-CIO (“Union”) maintains its
18 principal place of business in this district, its duly authorized officers or agents are engaged in
19 representing employee members in this district, and the claims arise in this district.

Intradistrict Assignment

21 9. The basis for assignment of this action to this court's Oakland Division is that all of
22 the events and omissions giving rise to Plaintiffs' claims occurred in the County of Alameda, where
23 ERISA Plaintiffs' Funds and the Bargained Entities are administered, and where Defendant
24 therefore failed to fulfill its statutory and contractual obligations to Plaintiffs.

Bargaining Agreements

26 10. Defendant Mark Bross (“Bross”), on behalf of Defendant Chester Bross, entered into
27 the Independent Northern California Construction Agreement (the “Independent Agreement”) with
28 the Union, which incorporates the current Master Agreement (“Bargaining Agreement”) between

1 the Union and the United Contractors, Associated General Contractors of California, Inc., Industrial
 2 Contractors UMIC, Inc., and Northern Alliance of Engineering Contractors. Defendant Chester
 3 Bross subsequently joined United Contractors, thereby binding itself directly to the Master
 4 Agreement. Under the terms of the Independent Agreement, the principal shareholder(s) of
 5 Defendant Chester Bross, including Defendant Bross, personally guaranteed all amounts claimed
 6 herein. The Independent Agreement and Master Agreement are collectively referred to hereinafter
 7 as the “Bargaining Agreements.” The Bargaining Agreements, which incorporate the terms of the
 8 Trust Agreements establishing the Trust Fund (“Trust Agreements”) require Defendants to provide
 9 employer contributions to Plaintiffs’ Funds, to the Union for union dues, and to the Bargained
 10 Entities more fully described in the Bargaining Agreements. ERISA Plaintiffs are third party
 11 beneficiaries of the Bargaining Agreements.

12 11. Under the terms of the Bargaining Agreements, and Trust Agreements incorporated
 13 therein, Defendants are required to pay certain contributions to the Operating Engineers’ Vacation,
 14 Holiday & Sick Pay Trust Fund, Contract Administration Fund; Job Placement Center and Market
 15 Area Committee Administration Market Preservation Fund; Construction Industry Force Account
 16 Operating Engineers Industry Stabilization Trust Fund; Heavy & Highway Trust Fund, and
 17 Business Development Trust Fund (including the California Alliance for Jobs (together referred to
 18 herein as “Bargained Entities”) and dues to the Union. Plaintiffs’ Boards of Trustees have been
 19 authorized to collect and distribute monies due to the Bargained Entities as well as dues due to the
 20 Union under the Bargaining Agreements and Trust Agreements.

21 12. Under the Bargaining Agreements and Trust Agreements, which are incorporated
 22 into the Bargaining Agreements and made binding on Defendants, Defendants are required to
 23 regularly pay to ERISA Plaintiffs, the Bargained Entities, and the Union, certain sums of money,
 24 the amounts of which are determined by the hours worked by Defendants’ employees.
 25 Contributions are due on the fifteenth (15th) day of the month following the month during which
 26 hours were worked, and are considered delinquent if not received by the twenty-fifth (25th) day of
 27 that month. Defendants are also required, pursuant to the Bargaining and Trust Agreements, to pay
 28 liquidated damages in the amount of ten percent (10%) for each delinquent contribution, but in the

1 amount of twenty percent (20%) for each delinquent contribution which is the subject of litigation.
2 Moreover, the Bargaining and Trust Agreements provide that interest accrues on delinquent
3 contributions at the rates reasonably set by the Trustees from the date they become delinquent,
4 which is the twenty-sixth (26th) day of the month in which payment was due, until paid in full.

5 13. The Bargaining and Trust Agreements further require Defendants to maintain time
6 records or time cards, and to permit an authorized Trust Fund representative to examine such
7 records of Defendants as is necessary to determine whether Defendants have made full payment of
8 all sums owed to ERISA Plaintiffs. Should an audit of Defendants' records reveal Defendants have
9 failed to provide full and prompt payment of all sums due to Plaintiffs, Defendants must reimburse
10 Plaintiffs for the amounts due, including audit fees, in addition to any other obligations pursuant to
11 the Bargaining and Trust Agreements.

Factual Allegations

13 10. Defendants have failed and refused to comply with an audit of their payroll records
14 for the period from January 1, 2014 through December 31, 2017.

14. Defendant Chester Bross has failed to timely pay all contributions reported as due for
work performed by their employees during the months of April 2017, May 2017, June 2017, July
2018, September 2018, March 2019, and May 2019, incurring liquidated damages and interest that
are owed to Plaintiffs for the late-paid contributions for this period.

19 15. Plaintiffs are also entitled to recover any and all other contributions, and all
20 liquidated damages and interest on delinquent contributions not specified above, found due on
21 timecards, further audit, or otherwise, including estimated contributions for any additional months
22 Defendants fail to report to Plaintiffs, through the time of Judgment. Plaintiffs reserve the right to
23 conduct a further audit to determine whether there are any additional amounts due from Defendants.

FIRST CAUSE OF ACTION

**For Audit Compliance, Payment of Delinquent Contributions, Interest, Liquidated Damages,
Attorneys' Fees and Costs Against Defendants**

26 16. Plaintiffs re-allege and incorporate by reference paragraphs 1 through 15, above.

27 17. Defendants have a contractual duty to timely pay the required contributions to

1 Plaintiffs and the Bargained Entities, and to timely pay dues to the Union, pursuant to the
 2 Bargaining Agreements and Trust Agreements. Defendants also have a contractual duty under the
 3 Bargaining Agreements and Trust Agreements to permit an audit of their records to determine
 4 whether they are making full and prompt payment of all sums required to be paid by them to
 5 Plaintiffs, and to pay Plaintiffs all amounts found due as a result of an audit, including audit fees.

6 18. In addition, Defendants have a statutory duty to timely make the required payments
 7 to Plaintiffs under ERISA § 515, 29 U.S.C. § 1145, and LMRA § 301(a).

8 19. By failing to permit the audit of all of its records and make the required payments to
 9 Plaintiffs, Defendants breached the Bargaining and Trust Agreements and are in violation of
 10 ERISA § 515, 29 U.S.C. § 1145, and LMRA § 301(a).

11 20. Defendants' failure and refusal to permit the audit and pay the required contributions
 12 was at all times, and still is, willful. Defendants continue to breach the Bargaining Agreements, and
 13 incorporated Trust Agreements, by failing to permit the audit and pay all amounts owed as alleged.
 14 Said refusal is unjustified and done with knowledge and intent.

15 21. ERISA Plaintiffs are without an adequate remedy at law and will suffer continuing
 16 and irreparable injury, loss and damage unless Defendants are ordered specifically to perform all
 17 obligations required on Defendants' part to be performed under ERISA, 29 U.S.C. §§ 1101-1381,
 18 the LMRA, 29 U.S.C. §§ 141-197, and the Bargaining and Trust Agreements, and are restrained
 19 from continuing to refuse to perform as required thereunder.

20 22. This Court is authorized to issue injunctive relief based on the traditional standard.
 21 As set forth above, ERISA Plaintiffs have a strong likelihood of success on the merits. There is the
 22 possibility that ERISA Plaintiffs' Trust Funds and their participants will suffer irreparable injuries.
 23 The balance of hardships and advancement of public interest favor ERISA Plaintiffs.

24 23. This Complaint does not in any manner relate to statutory withdrawal liability that
 25 may or may not be assessed against Defendants. ERISA Plaintiffs expressly reserve the right to
 26 pursue any such withdrawal liability claims against Defendants as provided by ERISA Plaintiffs'
 27 Plan Documents, Trust Agreements, and the law.

28 //

Prayer

WHEREFORE, Plaintiffs pray as follows:

1. For an order,

(a) requiring that Defendant comply with its obligations to Plaintiffs under the terms of the Bargaining Agreements and Trust Agreements, including permitting an audit of its records as requested by Plaintiffs;

(b) enjoining Defendant from violating the terms of those documents and of ERISA; and

(c) enjoining Defendant from disposing of any assets until said terms have been complied with, and from continuation or operating of Defendant's business until said terms have been complied with.

2. For a judgment against Defendants as follows:

(a) Any unpaid contributions, due at time of Judgment, including those specified above as well as any other contributions determined as due by audit, timecards, or otherwise, including estimated contributions for any months Defendants fail to report to Plaintiffs, pursuant to ERISA § 502(g)(2)(A), 29 U.S.C. § 1132(g)(2)(A);

i. To ERISA Plaintiffs and the Bargained Entities, in accordance with ERISA § 502(g)(2)(A), 29 U.S.C. § 1132(g)(2)(A) and the Bargaining Agreements;

ii. To the Union in accordance with the Bargaining Agreements.

(b) Liquidated damages on all late-paid and unpaid contributions in an amount provided for under the Bargaining and Trust Agreements, and with respect to ERISA Plaintiffs, ERISA § 502(g)(2)(c), 29 U.S.C. § 1132(g)(2)(c).

(c) Interest on all late-paid and unpaid contributions at the rates set in accordance with the Bargaining Agreements, the Trust Agreements, and ERISA § 502(g)(2)(B), 29 U.S.C. § 1132(g)(2)(B).

2. Plaintiffs' reasonable attorneys' fees and costs of this action, including any audit fees, in accordance with ERISA § 502(g)(2)(D) and (E), 29 U.S.C. § 1132(g)(2)(D) and (E); and in accordance with the Bargaining Agreements for all Bargained Entities; and with LMRA § 301, 29

1 U.S.C. § 185, for all Plaintiffs.

2 3. For an order,

3 (a) requiring that Defendants comply with their obligations to Plaintiffs under the
4 terms of the Bargaining Agreements and the Trust Agreements;

5 (b) enjoining Defendants from violating the terms of those documents and of
6 ERISA; and

7 (c) enjoining Defendants from disposing of any assets until said terms have been
8 complied with, and from continuation or operation of Defendants' business until said terms have
9 been complied with.

10 4. That the Court retain jurisdiction of this case pending compliance with its orders.

11 5. For such other and further relief as the Court may deem just and proper.

12 DATED: December 13, 2019

SALTZMAN & JOHNSON LAW
CORPORATION

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By: _____ /S/

15 Michele R. Stafford
16 Attorneys for Operating Engineers' Health And
17 Welfare Trust Fund, et al.
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